

Overbid procedure (if any):

See attached description of overbid procedure

If property is to be sold free and clear of liens or other interests, list date, time and location of hearing:

June 2, 2015
11:00 a.m.
Courtroom 5B
U.S. Bankruptcy Court
411 West Fourth Street
Santa Ana, CA 92701

Contact person for potential bidders (include name, address, telephone, fax and/or email address):

Beth Gaschen
bgaschen@wglp.com
650 Town Center Drive, Ste. 950
Costa Mesa, CA 92626
Telephone: (714) 966-1000
Facsimile: (714) 966-1002

Date: 05/08/2015

1 **I. PROPOSED OVERBID PROCEDURE**

2 The Trustee proposes and requests approval of the following overbid procedures to
3 maximize the value of the Estate's interest in the Assets:

4 1. Only a qualified bidder ("Qualified Bidder") may bid on the Assets. Jiangu
5 will be deemed to be a Qualified Bidder. The Trustee will determine whether any other
6 prospective purchaser is a Qualified Bidder. In order to be considered a Qualified Bidder,
7 a prospective purchaser must: (a) deliver to the Trustee, care of the Trustee's legal
8 counsel, by no later than the time of the hearing on the Motion: (1) an non-contingent offer
9 to purchase the Assets on the same terms and conditions as those set forth in the
10 Agreement attached to the Motion as Exhibit "1" for a purchase price of not less than
11 \$67,500.00; (b) evidence satisfactory to the Trustee of the prospective purchaser's
12 financial ability to complete the sale; and (c) a deposit of \$10,000.00 (the "Overbid
13 Deposit"), in the form of a cashier's check, payable to Richard A. Marshack, Chapter 7
14 Trustee for the Bankruptcy Estate of Ergocraft, Inc., which Deposit shall be non-
15 refundable if the bid is deemed to be the Successful Bid as defined in paragraph 3 below.

16 2. An auction sale of the Assets will be conducted at the hearing on the Motion.
17 Only Qualified Bidders, including Jiangu, will be allowed to bid. Each incremental bid at
18 the auction must be at least \$1,000.00 higher than the prior bid.

19 3. Upon the conclusion of the auction, the Trustee will decide which bid is the
20 best bid (the "Successful Bid"). The bidder who made the Successful Bid (the "Successful
21 Bidder") must pay, as the purchase price for the Assets, the amount of the Successful Bid
22 (Jiangu will receive credit for the amount currently held by the Trustee and any other
23 Qualified Bidder will receive credit for its Overbid Deposit) no later than the Effective Date
24 (as defined in the Agreement). If the sale of the Property to the Successful Bidder fails to
25 occur by reason of any failure of performance, breach or default by the Successful Bidder
26 of these sales procedures, then the Successful Bidder's deposit will be automatically
27 forfeited to the Trustee and the Estate as liquidated damages.

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1 4. Upon the conclusion of the auction, the Trustee may also decide which bid is
2 the second best bid (the "Back-Up Bid"). If the Successful Bidder fails to close the sale of
3 the Assets by the Effective Date, then the Trustee may sell the Assets to the Qualified
4 Bidder who submitted the Back-Up Bid (the "Back-Up Bidder") without further court order,
5 in which event the Back-Up Bidder must pay, as the purchase price for the Assets, the
6 amount of the Back-Up Bid, (Jiangsu will receive credit for the amount currently held by
7 the Trustee and any other Qualified Bidder will receive credit for its Overbid Deposit). If
8 the sale of the Assets to the Back-Up Bidder fails to occur by reason of any failure of
9 performance, breach or default by the Back-Up Bidder of these sales procedures, then the
10 Back-Up Bidder's deposit will be automatically forfeited to the Trustee and the Estate as
11 liquidated damages.

12 5. Upon the conclusion of the auction, any bidding deposits, other than the
13 bidding deposits submitted by the Successful Bidder and any Back-Up Bidder, will be
14 promptly returned. The bidding deposit submitted by the Back-Up Bidder will be returned
15 promptly following the close of escrow for the sale of the Assets to the Successful Bidder.

Weiland Golden LLP
650 Town Center Drive, Suite 950
Costa Mesa, California 92626
Tel 714-966-1000 Fax 714-966-1002

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PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

650 Town Center Drive, Suite 950, Costa Mesa, California 92626

A true and correct copy of the foregoing document entitled (*specify*): **NOTICE OF SALE OF ESTATE PROPERTY** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner indicated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **May 8, 2015**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On (*date*) **May 8, 2015**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (*state method for each person or entity served*): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) **May 8, 2015**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

The Honorable Theodor C. Albert, 411 W. 4th Street, 5th Floor, Santa Ana, CA 92701

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

May 8, 2015

Date

Kelly Adele

Printed Name

/s/ Kelly Adele

Signature

Electronic Mail Notice List

Peiwen Chang peiwen_chang@cnc-law.com, email@cnc-law.com

Beth Gaschen bgaschen@wglp.com, kadele@wglp.com;lfisk@wglp.com;tziemann@wglp.com

Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@ecf.epiqsystems.com

United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov

Sam X J Wu wuefile@yahoo.com